

The M&E Study and Why It's Important

Association of Washington Business
Sales & Use Tax Exemption
for Manufacturers Workshop

March 14, 2000
Seattle, WA

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The logo for AUS Consultants, featuring the letters 'AUS' in a bold, stylized, black font. The 'A' and 'U' are connected, and the 'S' is a simple, thick stroke.

Why is the M&E Study Important?

- Applies current economic thinking regarding the relationship between state and local business tax policies and investment to Washington.
- Provides a guide for policymakers and legislators regarding sensible fiscal policies that will and enhance Washington's competitiveness and result in expanded economic growth.

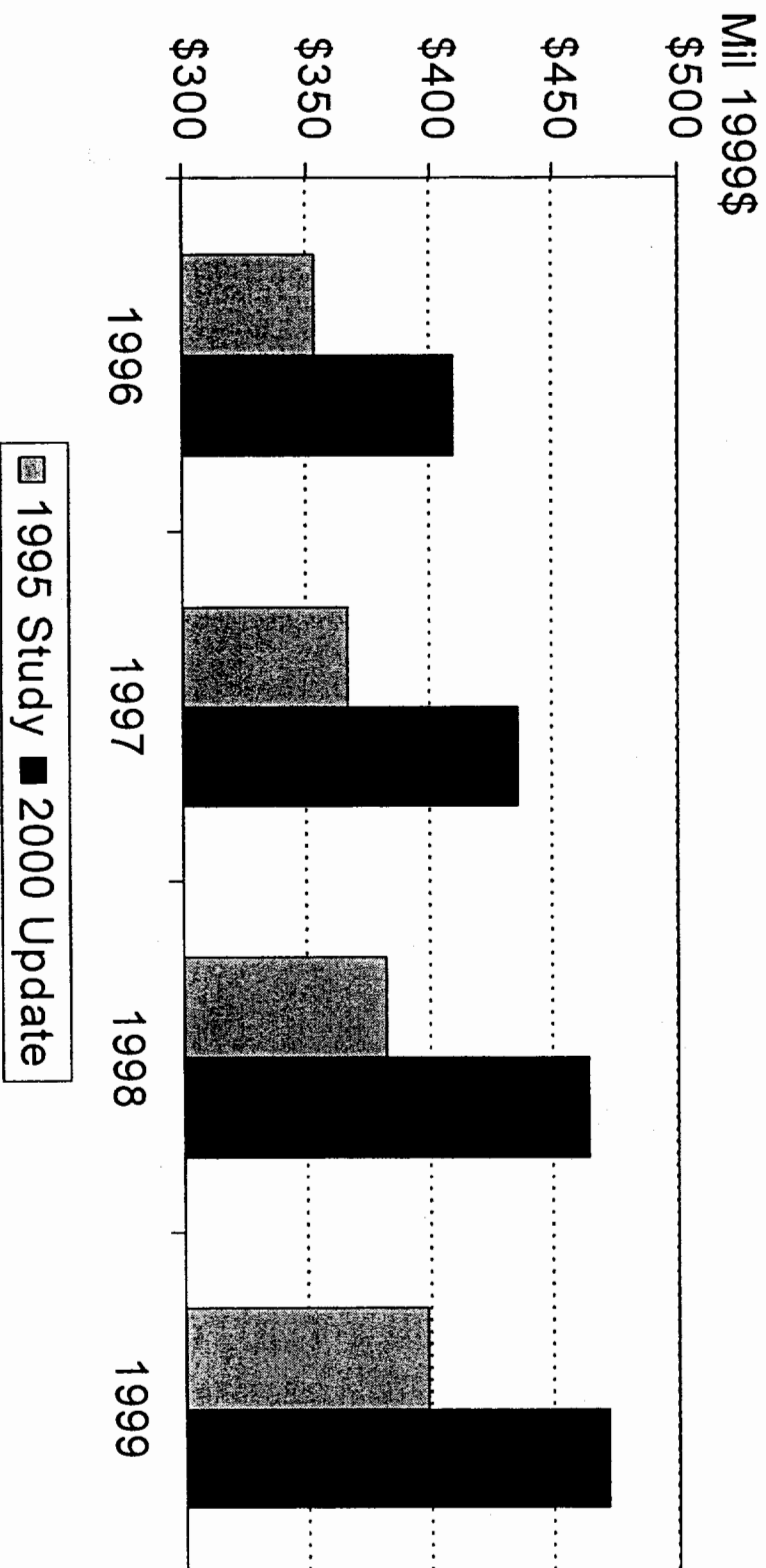
Expenditures Qualifying for Tax Exemption

- New and replacement machinery and equipment
- R&D related to production
- Consumable items “necessary and integral” to a manufacturing or R&D process.
- Parts and labor for installation and repair of machinery and equipment.
- Construction costs essential to the operation of the producer good.

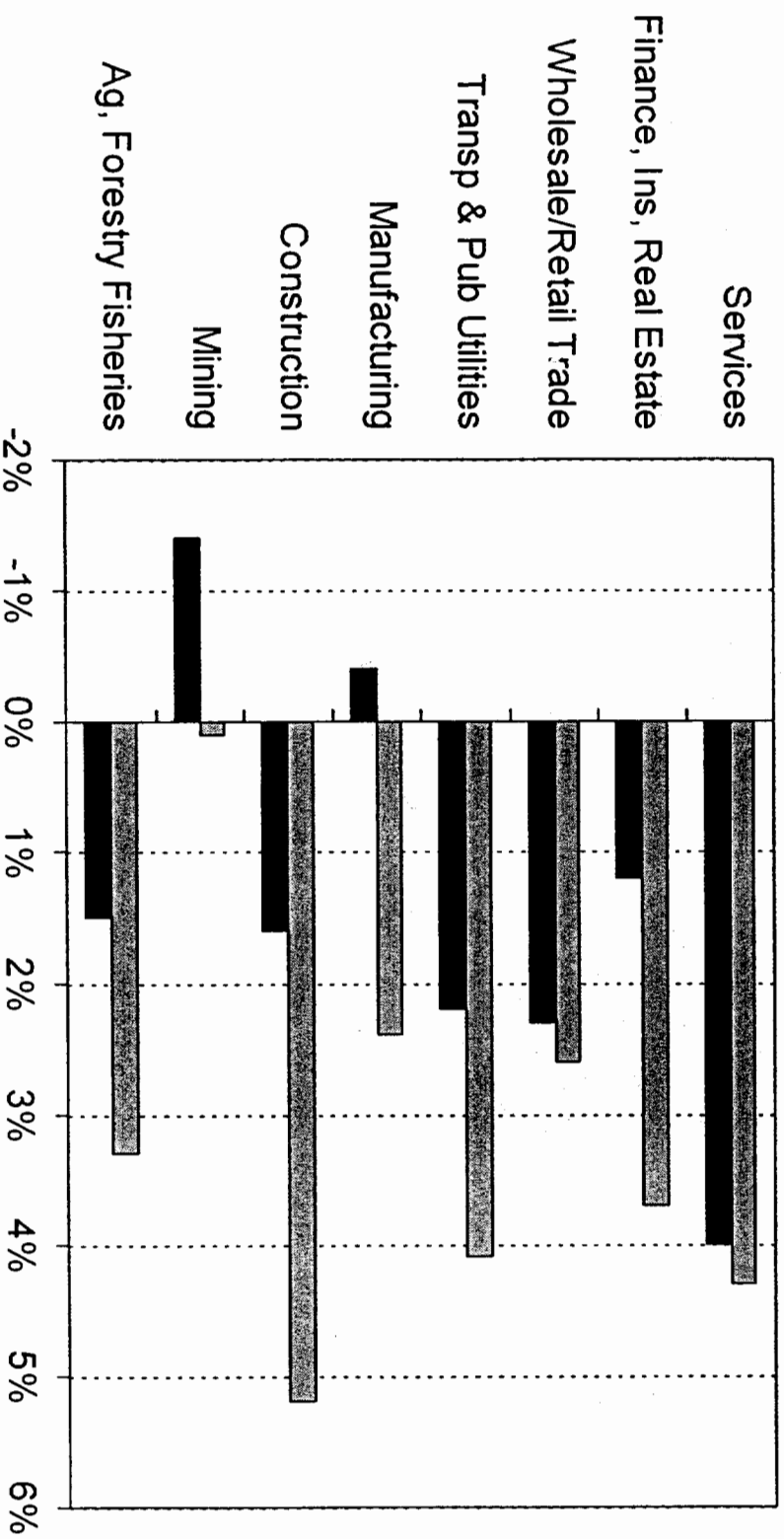


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Investment in Machinery and Equipment by Manufacturers Expanded at a Fast Pace



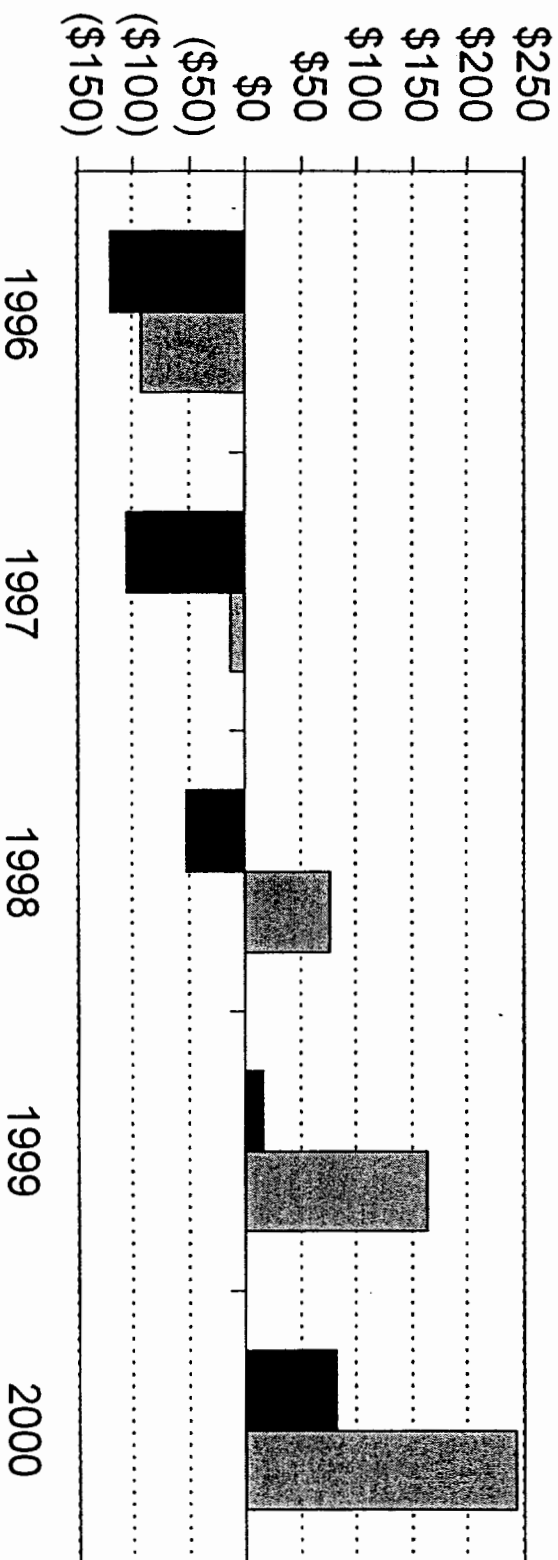
Job Creation Accelerated Following the Exemption



Tax Exemption Began Paying for Itself a Year Earlier Than Expected

Net State Revenues

Million 1999\$



■ 1995 Study ▨ 2000 Update